



The President's Daily Brief

October 21, 1974

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FOR THE PRESIDENT ONLY

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MEETING OF EUROPEAN COMMUNISTS

Moscow tolerated considerable diversity of view at the meeting last week in Warsaw in order to promote movement toward a more formal conference of European communist parties next year.

In the communiqué, the Warsaw participants expressed the desire that such a conference be held in East Germany before mid-1975. There will be at least one additional preparatory meeting in December or January.

As expected, several key parties--the Italian, Romanian, and Yugoslav, in particular--used the Warsaw meeting to demonstrate that the days of unquestioning subservience and cominformist unity are over. They hammered home the necessity for equality among parties, no matter how small--or big; they also heaped scorn upon the old notion that there is one established center of communist authority. Several of the delegates stressed that each party has a right to voice its position and to have its views taken into account at any multilateral gathering.

The Soviet delegate held his peace, with hardly a grimace. He also avoided criticizing the Chinese, in deference to the several parties that had insisted that absent parties not be attacked.

The Soviets seem to consider the Warsaw meeting a success, if only because it produced some semblance of unity among European communist parties. All but three were represented. Moscow will probably be satisfied if efforts to convene a more formal conference next year go as smoothly. Even if such a conference merely endorses Soviet detente policy toward the West, it will, in Soviet eyes, have been worth the effort.

The Kremlin leaders, to be sure, still nurture the hope that regional meetings will culminate in another international communist conference, but formidable hurdles remain in the way. In any case, the Warsaw meeting makes it clear that if Moscow wants progress toward a world gathering, it will have to put up with the disruptive behavior of maverick parties and softpedal differences with China.

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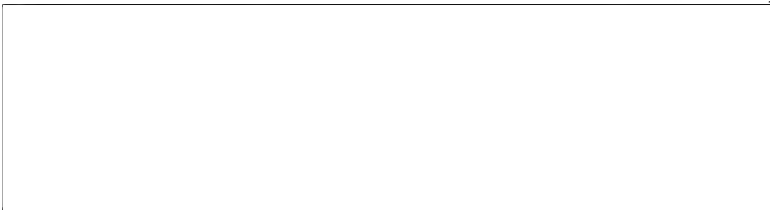
CANADA

Canada's plans to reduce further its already minimal defense program have surfaced during the past week in parliament and the press. Ottawa's commitments to NATO, however, appear fairly safe for the short run.

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Canada's double-digit inflation has pushed defense costs well beyond the 7 percent increase called for in the five-year defense plan adopted last October. Declining economic growth has added to the problem by reducing tax revenues.

The planned capital improvements program for the armed forces has been maintained only by cutting personnel from an authorized strength of about 84,000 to just under 80,000. Further reductions are now seen as inevitable.



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Prime Minister Trudeau has never assigned defense a high priority. He is seeking closer ties with Western Europe, however, and will be reluctant to irritate Europeans and lose an effective voice at the North Atlantic Council through a substantial reduction in Canada's NATO commitment.

If economic pressures on Canada's budget continue over the longer term, it is doubtless only a matter of time before an erosion of Canada's commitments to North American defense and NATO also take place.

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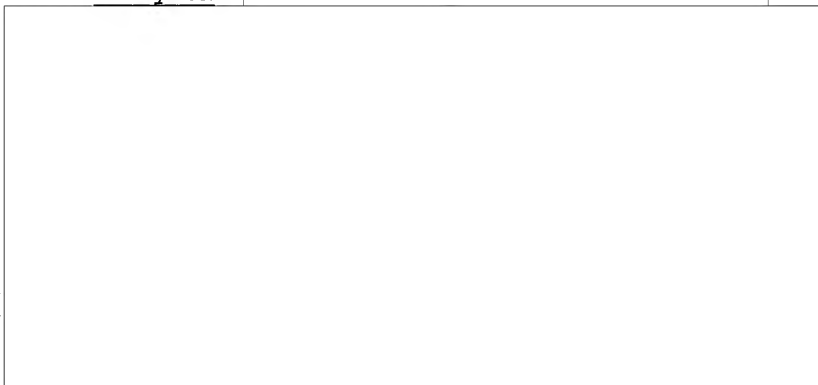
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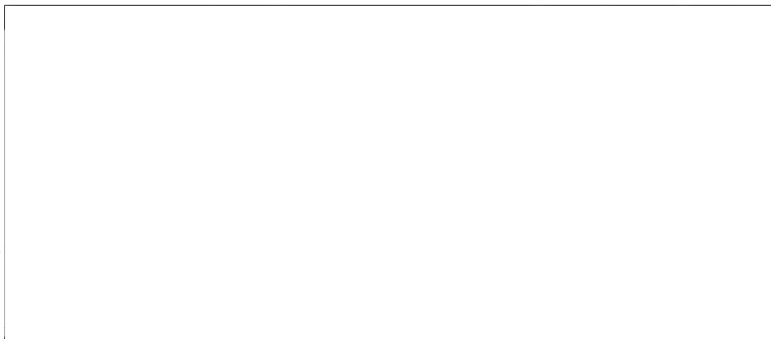
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